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City of Detroit

CITY COUNCIL

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TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: June 2, 2014

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division. The items are submitted to the City Council for referral to the Committees on June 3, 2014.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

Attachments

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Palencia Mobley	Mayor's Liaison
	Boysie Jackson	Purchasing Division
	Irvin Corley	Legislative Policy Division
	Marcell Todd	Legislative Policy Division

Statistics compiled for the list of Contracts and Purchases submitted for referral on June 3, 2014.

Department	No. of Contracts or Purchase Orders	Detroit-Based Business Bids	Change, Extension Increases, Renewals	Located in Detroit
Elections	1	0	1 Renewal	1
Plan. & Developmt.	3	0	0	3
Public Works	3	0	0	2
Transportation	1	0	1 Extension	0
Totals	8	0 Detroit-Based Business Bids	1 Extension 1 Renewal	6

This list represents expenditures totaling \$ 735,675.47¹

Included in the total costs and revenue are the following:

City General Fund	\$ 50,000.00
Grant Fund	\$ 300,000.00
Street Funds	\$ 385,675.47

¹ This list includes: Contracts extended/renewed for 3 months and 1 year, New contracts for 1 time purchases, and terms of 18 months and 3 years.

TO: HONORABLE CITY COUNCIL

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: June 2, 2014

RE: **CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED AT
THE FORMAL SESSION OF JUNE 3, 2014**

ELECTIONS

2844490 100% General Funding – To Provide Folding and Mailing Services Related to Elections
Material – Contractor: Wolverine Solutions Group, Location: 1601 Clay St., Detroit, MI
48211 – Contract Period: June 1, 2014 through May 31, 2015 – Increase Amount:
\$50,000.00

This Renewal Contract is for Extension of Time and Additional Funds. Original Contract Amount
\$474,000.00.

**Costs budgeted to General Fund, Acct. 1000-710042-000037-617900-00181-0-A5060, Appropriation
for Conduct of Elections includes available funds of \$1,129,699 as of May 30, 2014.**

**This request is for the 3rd year and final renewal option of this contract; the renewal continues
the 10% reduction in unit prices that were initially bid and approved with the contract in 2011.
The estimated cost for this 1-year renewal is \$50,000.**

**The contract was initially approved June 14, 2011, for a term of 1 year, through May 31, 2012,
for a cost of \$39,810. Costs were based on the estimated requirements for the following services:**

**Instructions and sample ballots, folding and mailing, 350,000 per election; Absentee voter
applications, 60,000 per election; Citizen District Council election notices, 40,000 per election;
Addressing, folding and mailing special information, 550,000 per election; Folding glossy card
stock, 350,000 per election; Folding various lengths of paper to letter size, 350,000 per year.**

The contract included options to renew three 1-year terms.

**The contract renewal for 1 year, through May 31, 2012, for \$39,810, was approved Feb. 28, 2012;
this approval included the 10% reduction in unit costs.**

**The costs for the initial 2 years were increased by \$117,190, and approved March 20, 2012;
Increase was indicated to be required for the 2012 Presidential election.**

**A second increase for \$80,000, due to an underestimate of services required, was approved Sept.
11, 2012.**

**The 2nd year renewal, through May 31, 2014, for a cost of \$197,190; continued the 10%
reduction in unit prices agreed to in 2012.**

**The total costs of this contract from its approval in June 2011 through the 2nd renewal total
\$474,000.**

**Contract checklist, received May 19, 2014, indicates this contract renewal is essential to provide
the mass mailing and folding of election materials required to inform and educate voters.**

**Covenant of Equal Opportunity Affidavit signed 1-9-12; TAXES: Good Through 5-2-15 and
7-31-14; Slavery Era Records Disclosure Affidavit signed 4-8-11, indicating no records to disclose;
Hiring Policy Compliance Affidavit signed 3-20-13, employment application submitted complies.**

PLANNING AND DEVELOPMENT

2892399 100% Federal Funding – Public Facility Rehabilitation – To Provide Food and Job Training for Low Income and Special Needs Residents – Contractor: Focus Hope, Location: 1360 Oakman Blvd, Detroit, MI 48238 – Contract Period: June 30, 2014 through December 31, 2015 – Contract Amount: \$100,000.00

Costs budgeted to Block Grant Fund, Acct. 2001-360767-768613-651161-06698-0-A3050, Appropriation for Focus Hope NOF includes available funding of \$389,000 as of May 30, 2014.

Funding awarded from 2012-2013 CDBG awards for neighborhood improvement projects proposed by citizens and neighborhood groups. Project Coordinator for the Agency is Carl Weber.

This contract is indicated to be for a Public Facility Rehabilitation authorized as part of the Neighborhood Opportunity Fund for 2012.

**Renovation to include: Demolition and removal of an existing freight elevator and installation of a new ADA compliant elevator, new shaft, new electrical, and enlargement of the pit.
Facility to be rehabilitated is used for: Job training and Food distribution services.**

Budgeted costs of the rehabilitation include: Construction costs of \$89,200; Advertising for \$800; Professional Consultant costs of \$10,000.

Contract checklist, dated February 14, 2014, indicates this contract is essential, to implement the grant funding as authorized with the approved community organization.

**Covenant of Equal Opportunity Affidavit signed 10-17-13;
TAXES: Good Through 3-1-15 and 8-15-14;
Slavery Era Records Disclosure Affidavit signed 10-17-13, indicating no records to disclose;
Hiring Policy Compliance Affidavit signed 10-17-13, employment application submitted complies.**

Planning and Development Department - *continued*

2892414 100% Federal Funding – Public Facility Rehabilitation – To Provide a Homeless Shelter and Public Services for Low and Moderate Income – Contractor: Operation Get Down, Location: 6821 Medbury, Detroit, MI 48211 – Contract Period: June 30, 2014 through December 31, 2015 – Contract Amount: \$100,000.00

Costs budgeted to Block Grant Fund, Acct. 2001-366315-768813-651161-11839-0-A3050, Appropriation for Operation Get Down includes available funding of \$259,619 as of May 30, 2014.

Funding awarded from 2012-2013 CDBG awards for neighborhood improvement projects proposed by citizens and neighborhood groups. Project Coordinator for the Agency is Henry Jenkins.

This contract is indicated to be for a Public Facility Rehabilitation authorized as part of the Neighborhood Opportunity Fund for 2012.

Renovation to include: New Roof, Plumbing upgrade, Installation of Smoke detectors, and installation of new sleeping units.

Facility to be rehabilitated is used for: Residential housing for substance abuse treatment and mental health, homeless services and as a transitional housing facility.

Budgeted costs of the rehabilitation include: Construction costs of \$89,200; Advertising for \$800; Professional Consultant costs of \$10,000.

Contract checklist, dated February 14, 2014, indicates this contract is essential, to implement the grant funding as authorized with the approved community organization.

Covenant of Equal Opportunity Affidavit signed 11-27-13;

TAXES: Good Through 2-15-15 and 8-15-14;

Slavery Era Records Disclosure Affidavit signed 11-27-13, indicating Agency established 1971, no records to disclose;

Hiring Policy Compliance Affidavit signed 11-27-13, employment application submitted complies.

Planning and Development Department - *continued*

2892428 100% Federal Funding – Public Facility Rehabilitation – To Provide a Community Service Center that offers Cultural, Educational, Counseling, Motivational Classes and a Soup Kitchen for Low and Moderate Income – Contractor: St. John Community Center, Location: 14320 Kercheval, Detroit, MI 48215 – Contract Period: June 30, 2014 through December 31, 2015 – Contract Amount: \$100,000.00

Costs budgeted to Block Grant Fund, Acct. 2001-367171-769113-651161-12426-0-A3050, Appropriation for St. John Community Center includes available funding of \$100,236 as of May 30, 2014.

Funding awarded from 2012-2013 CDBG awards for neighborhood improvement projects proposed by citizens and neighborhood groups. Project Coordinator for the Agency is Rev. Bennie Johnson.

This contract is indicated to be for a Public Facility Rehabilitation authorized as part of the Neighborhood Opportunity Fund for 2012.

Renovation to include: Renovation of 4 bedrooms; Installation of new windows on first and second floors; Installation of new exterior doors.

Facility to be rehabilitated is used for: Community Service Center that provides soup kitchen, counseling, motivational and educational classes.

Budgeted costs of the rehabilitation include: Construction costs of \$89,200; Advertising for \$800; Professional Consultant costs of \$10,000.

Contract checklist, dated April 21, 2014, indicates this contract is essential, to implement the grant funding as authorized with the approved community organization.

Covenant of Equal Opportunity Affidavit signed 10-15-13;

TAXES: Good Through 4-16-15 and 8-15-14;

Slavery Era Records Disclosure Affidavit signed 3-12-13, indicating no records to disclose;

Hiring Policy Compliance Affidavit signed 10-15-13, employment application submitted complies.

PUBLIC WORKS

2893445 100% Street Funding – To Provide U Channel Steel Sign Post and Anchors – Contractor: MD Solutions, Inc., Location: 8225 Estates Parkway, Plain City, OH 43064 – Contract Period: June 1, 2014 through May 31, 2017 – Contract Amount: \$67,852.47

This contract is for a term of three (3) years.

Costs budgeted to Major Street Fund, Acct. 3301-193826-621907-06424-0-0, Appropriation for Major Street - Operations includes available funding of \$27,050,061 as of May 30, 2014.

This is for the purchase of Steel sign posts and anchors required for posting traffic and informational signs. 13 Bids were solicited, 2 Bids were received on Open Market.

This recommendation is with the 2nd Bid received from MD Solutions. The prices and estimated quantities include, over the period of 3 years: 2,700 sign posts at \$16.48 each; and 3,351 sign anchors at \$6.97 each. The items purchased include a 7-year warranty through the manufacturer.

The manufacturer indicated to be Chicago Heights.

The Lowest Bid received from T & N Services for \$67,034.25 was rejected; the vendor did not provide a warranty on the items as required in the specifications.

According to the Buyer in Purchasing, these commodities were not available through the Cooperative Agreements.

The Request for Quotations included the U Channel Steel sign post and anchors (included in this contract) and the Square Tube sign post and anchors (included on Contract 2893448 on page 7).

Contract checklist, received May 22, 2014, indicates this contract is essential to meet the Department's obligations for installing and maintaining traffic signs.

Covenant of Equal Opportunity Affidavit signed 9-17-13;

TAXES: Good Through 4-3-15 and 12-30-14;

Slavery Era Records Disclosure Affidavit signed 9-17-13, indicating business established 2001, no records to disclose;

Hiring Policy Compliance Affidavit signed 9-17-13, employment application submitted complies.

Previous contract for procurement of U Channel Steel Sign posts, No. 2826441, was approved the Week of Aug. 23, 2010, with Melmac, d/b/a Motor City Pipe & Supply for a 3-year term, from Sept. 2010 through August 2013, for a cost of \$217,306 (\$72,324.77 per year). Unit prices ranged from \$14.35 each to \$5.93 each. Unit prices have increased 15% to 17%; the quantities estimated to be purchase appear to be significantly less.

Other recent related contracts include: No. 2836617, renewal with Hercules & Hercules for sign blanks, approved May 27, 2014 for \$199,284, for 1 year through March 31, 2015;

No. 2851840, renewal with MD Solutions for steel strapping parts to attach signs, considered by Committee on June 2, 2014, for 1 year, through September 30, 2015, no additional funding.

Public Works Department - *continued*

2893573 100% Street Funding – To Provide Six (6) Cargo Vans – Contractor: Jorgensen Ford Sales, Inc., Location: 8333 Michigan Avenue, Detroit, MI 48210 – One Time Purchase – Contract Amount: \$153,330.00

This contract is for a One Time Purchase

Costs budgeted to Major Street Fund, Acct. 3301-193850-000048-6244600-04189-0-A4570, Appropriation for Major Street – Capital includes available funding of \$64,060,812 as of May 30, 2014.

This contract is for the purchase of 6 Cargo Vans. 7 Bids solicited, 1 Bid received on Open Market for the proposed purchase. The Sole Bid received from Jorgensen Ford is for the 2014 model of Ford Transit Connect XL Compact Cargo Van for \$25,555 each.

Contract checklist, dated January 8, 2014, indicates the acquisition of these vehicles is critical to carrying out the Department's functions; Used for transporting crews and supplies.

Covenant of Equal Opportunity Affidavit signed 4-1-13;

TAXES: Good Through 7-17-14 and 6-30-14;

Slavery Era Records Disclosure Affidavit signed 1-24-12, indicating business established 1999, no records to disclose;

Hiring Policy Compliance Affidavit signed 6-8-12, employment application submitted DOES INCLUDE a question if applicant ever convicted of a crime.

Public Works Department - continued

2893448 100% Street Funding – To Provide Square Tube Steel Sign Post and Anchors – Contractor: T&N Services, Inc., Location: 2940 E. Jefferson, Detroit, MI 48207 – Contract Period: June 1, 2014 through May 31, 2017 – Contract Amount: \$164,493.00.

This contract is for a term of three (3) years.

Costs budgeted to Major Street Fund, Acct. 3301-193826-621907-06424-0-0, Appropriation for Major Street - Operations includes available funding of \$27,050,061 as of May 30, 2014.

This is for the purchase of Steel sign posts and anchors required for posting traffic and informational signs. 13 Bids were solicited, 2 Bids were received on Open Market.

This recommendation is with the Lowest Bid received from T & N Services. The prices and estimated quantities include, over the period of 3 years: 4,299 sign posts at \$27.95 each; and 4,899 sign anchors at \$9.05 each. The items purchased include the required warranty through the manufacturer. The manufacturer indicated to be Ultimate Highway Products.

The Second Bid received from MD Solutions for \$171,884.37.

According to the Buyer in Purchasing, these commodities were not available through the Cooperative Agreements.

The Request for Quotations included the U Channel Steel sign post and anchors (included on Contract 2893445 on page 5) and the Square Tube sign post and anchors (included on this Contract 2893448).

Contract checklist, received May 28, 2014, indicates this contract is essential to meet the Department's obligations for installing and maintaining traffic signs.

Covenant of Equal Opportunity Affidavit signed 9-19-13;

TAXES: Good Through 5-21-15 and 6-30-14;

Slavery Era Records Disclosure Affidavit signed 9-6-11, indicating no records to disclose;

Hiring Policy Compliance Affidavit signed 6-15-12, employment application submitted complies.

No previous contracts were identified for Square Tubing Steel Sign posts and anchors.

Other recent related contracts include: No. 2836617, renewal with Hercules & Hercules for sign blanks, approved May 27, 2014 for \$199,284, for 1 year through March 31, 2015;

No. 2851840, renewal with MD Solutions for steel strapping parts to attach signs, considered by Committee on June 2, 2014, for 1 year, through September 30, 2015, no additional funding.

No. 2893445, included on this list, for 3 year term, through May 2017, with MD Solutions, for \$67,852.47 to provide U Channel Steel sign posts and anchors.

TRANSPORTATION

2794006 20% State, 80% Federal Funding – To Furnish Remanufactured Medium and Heavy Duty Coach Engines and Automatic Transmissions for Three (3) Years – Contractor: Cummins Bridgeway, Location: 3760 Wyoming, Dearborn, MI 48120 – Contract Period: May 31, 2014 through August 31, 2014 – Contract Amount: \$0.00

This contract is for Extension of Time to Allow for Service and Processing of a New Contract. No Additional Funds Needed.

Costs budgeted to Transportation Grants Fund, Acct. 5303-208259-000058-622100-10330-0-DOT51, Appropriation for Fed./State Capital Grants includes funding of \$133,155,776 as of May 30, 2014.

This request is for an extension of the contract for a period of 90 days, from May 31 through August 31, 2014; No Additional funding is requested for the proposed extension.

This contract was 1 of 2 contracts initially approved June 16, 2009 to provide rebuilding and remanufactured coach engines and transmissions, which requires the engine, transmission or complete powertrain to be removed and sent to the contractor to be rebuilt; then returned and reinstalled or reassembled by Department employees. In addition to this contract with Cummins Bridgeway, approved for \$6,500,000 over a 3-year term, the 2nd contract was approved with Williams Detroit Diesel Allison Midwest for \$8,309,017 over a 3-year term. The 3-year contract terms were through May 31, 2012 and included two 1-year renewal options.

The 1st renewal with Cummins Bridgeway, through May 31, 2013, was approved July 31, 2012, no additional funding was requested with the renewal.

The 2nd contract renewal with Cummins Bridgeway, through May 31, 2014, was approved Oct. 29, 2013, no additional funding was requested with the renewal.

The contract with Williams Detroit Diesel was also renewed for 2 additional years; No additional funding was requested with the renewals.

This 3-month extension is to provide the Department time to re-bid these requirements. According to the Department Buyer, a 2nd contract extension with Williams Detroit Diesel has also been prepared and is currently in process to be submitted to the City Council for approval.

The contractor's labor rate continues to be the same at \$90 per hour.

Contract checklist, dated May 22, 2014, indicates this contract extension is essential to have available the services and parts available for rebuilding engines and transmissions to ensure coaches are operating efficiently and safely.

Covenant of Equal Opportunity Affidavit signed 2-20-13;

TAXES: Good Through 9-16-14 and 12-30-14;

Slavery Era Records Disclosure Affidavit signed 2-20-13, indicating business established 2002, no records to disclose;

Hiring Policy Compliance Affidavit signed 2-20-13, employment application submitted complies.